

~~CONFIDENTIAL~~

From C/NIC 3 June 87
 Copy to: VC/NIC (GF)
 VC/NIC (FH)
 NIO/SP
 NIO/GPF
 NIO/USSR
 NIO/S&T

THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

7 MAY 1987

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE
 SECRETARIES OF THE MILITARY DEPARTMENTS
 CHAIRMAN OF THE JOINT CHIEFS OF STAFF
 UNDER SECRETARIES OF DEFENSE
 DIRECTOR, PROGRAM, ANALYSIS & EVALUATION
 DIRECTOR, NET ASSESSMENT
 DIRECTOR, DEFENSE INTELLIGENCE AGENCY
 DIRECTOR, NATIONAL SECURITY AGENCY

SUBJECT: Management Plan for Institutionalizing Competitive Strategies

1. A management plan for institutionalizing competitive strategies has been developed. To alter the way many of us here have traditionally thought about such concepts is a bold, worthy ambition. As I stated in my Annual Report to Congress, this effort is not a revolutionary approach to defense planning. It is, rather, an evolutionary approach intended to systematize and institutionalize our extant competitive strategy thinking. The effective institutionalization of this concept will require attention and effort from all of us over the next few years. The management plan described in the following paragraphs outlines the necessary first steps.

2. I will chair the Competitive Strategy Council. Other members of the Competitive Strategy Council are:

- The Deputy Secretary of Defense
- The Under Secretaries of Defense for Acquisition and Policy
- The Service Secretaries
- The Chairman of the Joint Chiefs of Staff
- The Service Chiefs of Staff
- The Directors of DIA and NSA

a. The Competitive Strategy Council will meet quarterly. It's primary functions will be to:

- Approve competitive strategy areas
- Set priorities among competitive strategy areas
- Monitor progress of the department's competitive strategy effort

~~CONFIDENTIAL~~

CLASSIFIED BY: MULTIPLE SOURCES
 DECLASSIFY ON: OADR

Sec Def Cont Nr. X43031

CONFIDENTIAL

- b. The first meeting will be held in May. Its agenda will include discussion of the competitive strategy concept.
- c. The second meeting will be held in June. Its agenda will include:
- Review of the Top 10 lists
 - Review the Key Mission Areas list
 - Approval of the first set of three or four Competitive Strategy Task Forces
- d. The third meeting will be held in October. Its primary purpose will be to approve the first set of competitive strategies.
3. A Steering Group for the Competitive Strategy Council is established. It will be cochaired by Dennis Kloske and Graham Allison. The Steering Group's primary functions will be to: identify competitive strategy candidate areas, identify people to serve on the Competitive Strategy Task Forces, develop Task Force assignments and benchmarks, and oversee the efforts of the Task Forces.
4. The Competitive Strategy Task Forces will be ad hoc, inter-agency groups constituted for not more than a 90-day period. Department offices, agencies, the military departments and the Services will provide personnel designated by the Steering Group to serve on the Task Forces full time and will provide office space and administrative support as required.
5. My Special Advisor, Graham Allison, will work with me, as well as with the Competitive Strategy Council. He will assist both within the department and in dealing with other departments as we move forward on the competitive strategies initiative.
6. The Under Secretary of Defense for Acquisition, in consultation with the Chairman of the Joint Chiefs of Staff and the Services, will develop lists of the Top 10 Technologies and the Top 10 Systems which offer significant competitive advantages. The Technologies list will be more general and will identify key technologies currently in, or a candidate for, research. The Systems list will be more specific and will identify the key systems incorporating those technologies currently in, or a candidate for, development or production. Both lists will be accompanied by a short report explaining why we hold a competitive advantage in the specified areas and how long our lead time is over the Soviets in the specified areas.
7. The Under Secretary of Defense for Policy will incorporate the competitive strategies into the Defense Guidance. He will ensure that our alliance policies, arms control policies, technology transfer policies, and nuclear weapons policies are attuned to the adopted competitive strategies.

CONFIDENTIAL

CONFIDENTIAL

8. The Chairman of the Joint Chiefs of Staff, in consultation with the Joint Chiefs of Staff and with the support of the Commanders-in-Chief of the combatant commands, will develop a list of the Key Mission Areas. Key mission areas are those operational and strategic tasks our armed forces must accomplish in order for us to achieve the stated national security objectives. For example, in the European Theater, the Key Mission Areas might include: attain and maintain a favorable air situation, defeat the lead echelon, follow-on forces attack.

a. The Chairman, in conjunction with the CINCs, will incorporate the operational concepts portion of the adopted competitive strategies into operational plans.

b. The Joint Chiefs of Staff and the Services will develop the specific doctrinal context for the approved competitive strategies, to be published with sufficient lead time to allow our forces to plan their training, logistics, and deployment requirements and meet those requirements in an orderly way.

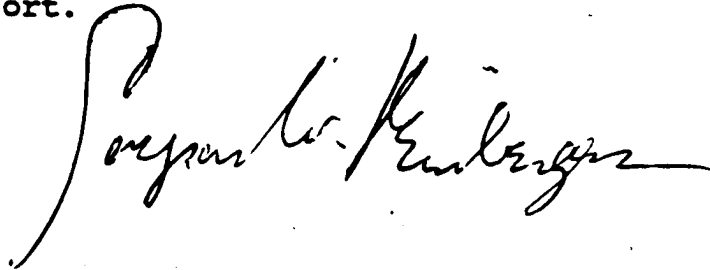
9. The Executive Secretary will ensure the Top 10 Technologies and the Top 10 Systems lists are included on the agenda of the Secretary's Performance Review.

10. The Deputy Secretary and I will consider the technologies and systems identified in the approved competitive strategies as high priority items as we review the hard choices before the Defense Resources Board.

11. Attached are benchmarks depicting the responsibilities and timelines for our initial effort.

Attachment

Copy to: Dennis Kloske
Graham Allison
Executive Secretary

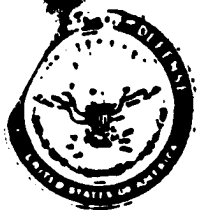


CONFIDENTIAL

THE SECRETARY OF DEFENSE

WASHINGTON THE DISTRICT OF COLUMBIA

August 12, 1986



MEMORANDUM FOR THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Implementing Competitive Strategies - ACTION MEMORANDUM

In last year's Annual Report (pp 85 ff), I discussed competitive strategies. The central idea is simple enough: aligning our enduring American strengths against enduring Soviet weaknesses. We must do this in our weapons development, in our operational planning, in our military doctrine -- everywhere. We can and should take pride in a number of outstanding examples of competitive strategy in our current defense programs. For example, Stealth will outmode heavy Soviet investments in air defenses and exploit their preoccupation with territorial security. There are other good examples. But undoubtedly we can do more, and find still better ways, and I think we must do this for it is really the only way we can overcome the Soviet numerical advantages in just about everything, and it is the only way we can deal with the military advantages their political system gives them.

I would like you to review our military strategy and the Department of Defense programs now planned, and to recommend those areas and military missions that seem most promising for the implementation of competitive strategies. Specifically, I would like you to address the following questions:

1. What do you judge the 5 or 6 most important enduring Soviet weaknesses relevant to our planning, forces, and strategy?
2. What are the 5 or 6 major US programs that now best exploit these weaknesses? I think it would be most useful to explain in detail how each program exploits one or more specific Soviet weaknesses.
3. What are the 5 or 6 most important enduring American strengths that we should use in planning US forces and strategy?
4. What are the 5 or 6 major programs that best utilize these strengths of ours? Again, the more detail, the better.
5. For our general presentations of the subject of competitive strategy, what do you believe are the three best unclassified examples that you and I can use to illustrate

CLASSIFIED BY: SEC DEF
DECLASSIFY ON: OADR

Sec Def Cont Nr. X40230

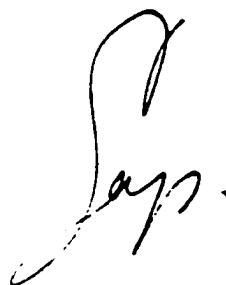
~~SECRET~~

ENTIRE TEXT

competitive strategies that exploit to our advantage some Soviet operational concept, or some weakness, impose disproportionate costs on the Soviets or achieve other key advantages?

6. What else can you and I do to make this competitive thinking a permanent part of the Department's planning. I would appreciate it if you would have the CINC's review their current strategies and operational plans, and report on how they believe competitive strategies are now employed. They should then highlight additional areas that appear promising and recommend programs for future development of competitive strategies.

My purpose in this memorandum is to help us all address this issue because it is based on the simple idea that we should direct our greatest strengths to the Soviets' greatest weaknesses. I look forward to discussing this issue with you. It would be most helpful if I can have your response to these questions by September 15.

A handwritten signature in dark ink, appearing to be 'Jays' or similar, with a large, stylized initial 'J'.

SECRET ENTIRE TEXT